

SENATE BILL REPORT

EHB 1931

As of February 23, 2022

Title: An act relating to sustaining hydropower license fees.

Brief Description: Sustaining hydropower license fees.

Sponsors: Representative Fey; by request of Department of Ecology.

Brief History: Passed House: 2/15/22, 95-2.

Committee Activity: Ways & Means: 2/24/22.

Brief Summary of Bill

- Extends the expiration date of hydropower projects licensed by the Federal Energy Regulatory Commission from June 30, 2023, to June 30, 2029.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Jed Herman (786-7346)

Background: The Department of Ecology (Ecology) issues Clean Water Act water quality certifications to hydropower project operators licensed by the Federal Energy Regulatory Commission (FERC). After the FERC license and water quality certificate have been issued for a project, the water quality protection standards are monitored, and permit condition compliance is overseen by Ecology and the Washington Department of Fish and Wildlife (WDFW).

Most hydropower project operators are required to pay an annual fee to Ecology, which is deposited into a dedicated account. The fees for hydropower project development are based on a two-step model that considers theoretical horsepower generated. The first step is the base fee paid by all water power claimants. Base fees are calculated using a formula based on anticipated power generated.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

In addition to the base fee, all water power generation facilities that are required to be licensed by the FERC must pay an additional fee. The additional fees are calculated using as similar formula as the first step. The base fee and the second fee paid by facilities licensed by the FERC are additive until June 30, 2023, when the additional fee expires and all facilities are only required to pay the base fee. These funds are used by Ecology and the WDFW to assist power generation facilities in meeting environmental regulatory requirements and other requirements associated with the FERC licensing process. Ecology submits a biennial report to the Legislature describing how license fees were spent by Ecology and the WDFW on water quality certification work for the FERC-licensed hydropower projects.

Summary of Bill: The secondary fee, paid by FERC-licensed hydropower project expires on June 30, 2029, rather than June 30, 2023.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.